

Star BUSINESS

DHAKA MONDAY JUNE 30, 2003

GQ Ball Pen declares 48pc dividend

GQ Ball Pen Industries Limited has announced a 48 per cent dividend for the shareholders for the year 2002.

The dividend was announced at the 21st annual general meeting of the company held in Dhaka on Tuesday, says a press release.

Qazi Salimul Haque, chairman of the company, presided over the meeting.

Wing Commander (Retd) A B Siddique, Enamul Haque, Mainul Haque, M R Chowdhury, and Masud Reza Bhuiyan were present along with other directors.

A large number of shareholders of the attended the company meeting.

Bangladesh Lamps declares 20pc cash dividend

Bangladesh Lamps Limited has declared a 20 per cent cash dividend for its shareholders.

The dividend was declared at the 42nd annual general meeting (AGM) of the company held at Gulshan in Dhaka on Saturday, says a press release.

Latifur Rahman, chairman of Bangladesh Lamps Limited, the official licensee of Philips Electronics NV Holland for lighting products and manufacturer of Philips electric bulbs, presided over the AGM.

The AGM also approved the annual report and accounts of the company for the year ending on December 31, 2002.

CPA fines 11 cargo ships

BSS, Chittagong

Chittagong Port Authority (CPA) yesterday fined owners of 11 inland cargo ships Taka 1.09 lakh for evasion of port tax, violation of the port act and polluting environment in the port channel.

CPA sources said a magistrate of the port in a drive fined seven inland cargo ships for evading port tax, two for anchoring violating the CPA act and another two for polluting environment in the port channel.

The drive was carried out in the morning from Shikal Baha to Patenga pilot jetty in the Karnaphuli river. CPA magistrate Mohammad Monir Chowdhury conducted the drive with the assistance of Chittagong Metropolitan Police.

Taka weakens against dollar

BSS, Dhaka

The Bangladesh taka was under pressure against the US dollar yesterday in thin inter-bank trade caused by weekend holiday in the most international markets, foreign exchange dealers said.

The taka traded at 58.4050-4300 taka to the dollar yesterday compared to 58.4000-58.4150 taka on Saturday when sentiment for taka was bearish, dealers said.

Only a few amount of foreign currency was transacted against the Bangladesh taka and the volume of cross currency trade was almost nil as there was no pressure for import payments, dealers said.

"The demand for the dollar and other foreign currencies was very low yesterday because importers could not pay their payments due to holiday in the most international foreign exchange markets," dealers of some commercial banks said.

Sentiment on taka was bearish as the demand for call money was very low, they said.

Call money rate steady

BSS, Dhaka

The call money rate was steady yesterday amid thin money demand from private banks and financial institutions, fund managers of leading commercial banks said.

The overnight money rate ranged between 2.50 per cent and 6.50 per cent -- its lowest ever level as the demand for short-term money was very thin, fund managers said.

"Huge liquid funds are now in the bank's cash vaults when banks are busy to close their accounts two-day ahead of June closing," fund managers of leading commercial banks said.

Port problems hinder 30pc RMG export growth

ADB country director tells FICCI luncheon meet

STAR BUSINESS REPORT

Bangladesh's garment sector can increase its earnings by 30 per cent if port functions efficiently, said ADB Country Director Toru Shibuchi.

He said cost of clearing a container at the port is estimated at US\$600 compared to US\$150-300 at ports in neighbouring countries.

"Chittagong port is heavily congested and poorly managed, turn-around time for a feeder vessel is 6-10 days against only 1-2 days in Singapore and Bangkok," Shibuchi said while speaking at the Foreign Investors Chamber of Commerce and Industry (FICCI) luncheon meeting at a city hotel yesterday.

He termed the telecommunica-

tion infrastructure very poor. "Bangladesh lags far behind all other countries in South Asia in terms of coverage and quality of telecommunication services."

"Only 32 per cent of the population has access to electricity and 10 per cent to natural gas," the country director said.

Regarding road communication, he said expanding road network is now a major challenge for the government.

Responding to a question on gas export, the country director said the ADB is waiting for response from the government about gas export to India.

"We are yet to get any response from the government about its

decision regarding gas export to India through pipeline," said Shibuchi.

Clarifying the ADB's position on the issue, the country director said, "We are not recommending the government to export gas to India but we are worried about our investment of around US\$ 250 million which will be hampered if Bangladesh does not export gas."

He also felt the necessity to expand natural gas infrastructure to the western zone of Bangladesh.

Shibuchi lauded Bangladesh for achieving success in various socio-economic sectors in the past decades.

The ADB country director also gave a detail description of the

Bank's assistance to various development projects in Bangladesh.

FICCI President Wali Bhuiyan criticised the proposed budget for fiscal year 2003-2004 for allowing tax evaders to legalise their black money. "It is not only unethical but also unjust as it offered amnesty to the law breakers."

He also found lack of a level playing field in the country for foreign investors.

He suggested that the government address inefficiency, corruption and law and order issues to woo more investment.

The FICCI Vice-president Nurul Islam also addressed the meeting.

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PHOTO: FICCI

Toru Shibuchi, country director of Asian Development Bank, speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) held yesterday in Dhaka. Waliur Rahman, president, and M Nurul Islam, vice-president of FICCI, were also present at the meeting.

REHAB seeks regulatory body to avoid 'harassment'

STAR BUSINESS REPORT

Developers yesterday called for setting up a regulatory body to remove 'deliberate harassment' in the existing system of approving housing plans.

A national body should be formed to bring dynamism, transparency and accountability in the housing business, said Toufik M. Seraj, president of the Real Estate & Housing Association of Bangladesh (REHAB).

Such a body, he said, can be made in coordination with all the government agencies concerned, representatives of the real estate builders, environmental experts and academics. If deemed necessary, the body can be placed under direct supervision of the prime minister, he added.

Seraj was exchanging views with the press at the REHAB office in Dhaka.

"In the existing system a house

building plan has to undergo several process at different agencies prolonged over five to six months while Rajuk thereafter takes one more year to endorse the design," Seraj said.

This kind of procrastination, he said, subjects construction entrepreneurs to huge monetary and labour losses, he added.

Any house-building project has to initially obtain approval from the DESA, WASA, Titas Gas, Civil Aviation, T & T, Fire Service, DMP, City Corporation, and Ward Commissioner. "Afterwards, it has to be endorsed by the environment department which does not follow any specifically laid down code," Seraj said.

"To get any development and construction design approved, we need to enter into underhand deals at every stage. We want to pay these amounts to the public exchequer through a competent authority," REHAB president said.

When his attention was drawn to allegations of commercialisation of residential areas and destruction of environment against real estate developers, Seraj said, "We develop and build housing structures but we are not owners. It's the duty of Rajuk to regulate how the owners use a building after its construction."

Chairman of Hamid Group, Nasrul Hamid said, "Rajuk is the authority to monitor such irregularities and deviations. Why does it fail to live up to its duty?"

Regarding recent warnings that most of Dhaka's high-rise buildings are vulnerable to earthquakes, REHAB Vice-president Abdul Awal said, "Structural collapse doesn't occur due to height, it depends on the quality of basic structural engineering. Most of the builders today are quite careful of that construction aspect."

Bank holiday tomorrow

UNB, Dhaka

Transaction in Bangladesh Bank and all scheduled banks will remain closed tomorrow on account of bank holiday, said a press release.

Peoples Ins declares 27pc dividend

Peoples Insurance Company Limited has declared 27 per cent dividend for the shareholders for the year 2002.

The dividend was announced at the 18th annual general meeting of the company held in Dhaka on Thursday, says a press release.

Mohammad Mizanur Rahman, chairman of the company, presided over the meeting.

The company earned a pre-tax profit of Tk 43.92 million in 2002. The meeting also elected two directors from the public shareholders.

Directors Md Rukunuddin Mollah, Nazmul Ahsan Khaled, Md Rahim Uddin Bharosh, Nurul Islam Patwari, Engr M Abu Taher, Amir Humayun Mahmud Chowdhury, Md Abul Bashar, Md Shamsul Alam, Hasan Ahmed, AKM Aminul Mannan, Shahjada Mahmud Chowdhury, Engr MA Rashid, Md Motaher Hossain, Golam Faruk Ahmed and Managing Director Syed Zahurul Huq were among others, present at the meeting.

A large number of shareholders attended the meeting.

Banglacraft's election held

The election of Bangladesh Handicrafts Manufacturers and Exporters Association (Banglacraft) for 2002-2004 was held at its office on Thursday, says a press release.

The executive committee members elected Ashrafur Rahman, managing director of Nipun Group of Industries, president of the organisation.

ABMRG Shahnewaj and Selina Islam were elected senior vice-president and vice-president respectively while Md Shaheen Ahmed as treasurer.

Aristopharma markets new products

Aristopharma Ltd introduced new injectable products in the local market recently, says a press release.

Of these products, two are antibiotics while the other is analgesic and anti-inflammatory drug. The antibiotics are Extracel and Axim.

BB auction held

UNB, Dhaka

The 251st auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here yesterday.

Tk 931.50 crore, Tk 110 crore, Tk 70 crore, Tk 103 crore, Tk 32.40 crore and Tk 79.30 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 350 crore, Tk 60 crore, Tk 30 crore, Tk 30 crore, Tk 26.80 crore and Tk 13.20 crore of 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields was 7 per cent, 8.79-8.85 per cent, 9.25-9.30 per cent, 9.89-9.90 per cent, 10.75-10.80 per cent and 11.24 per cent per annum, said a Bangladesh Bank press release.

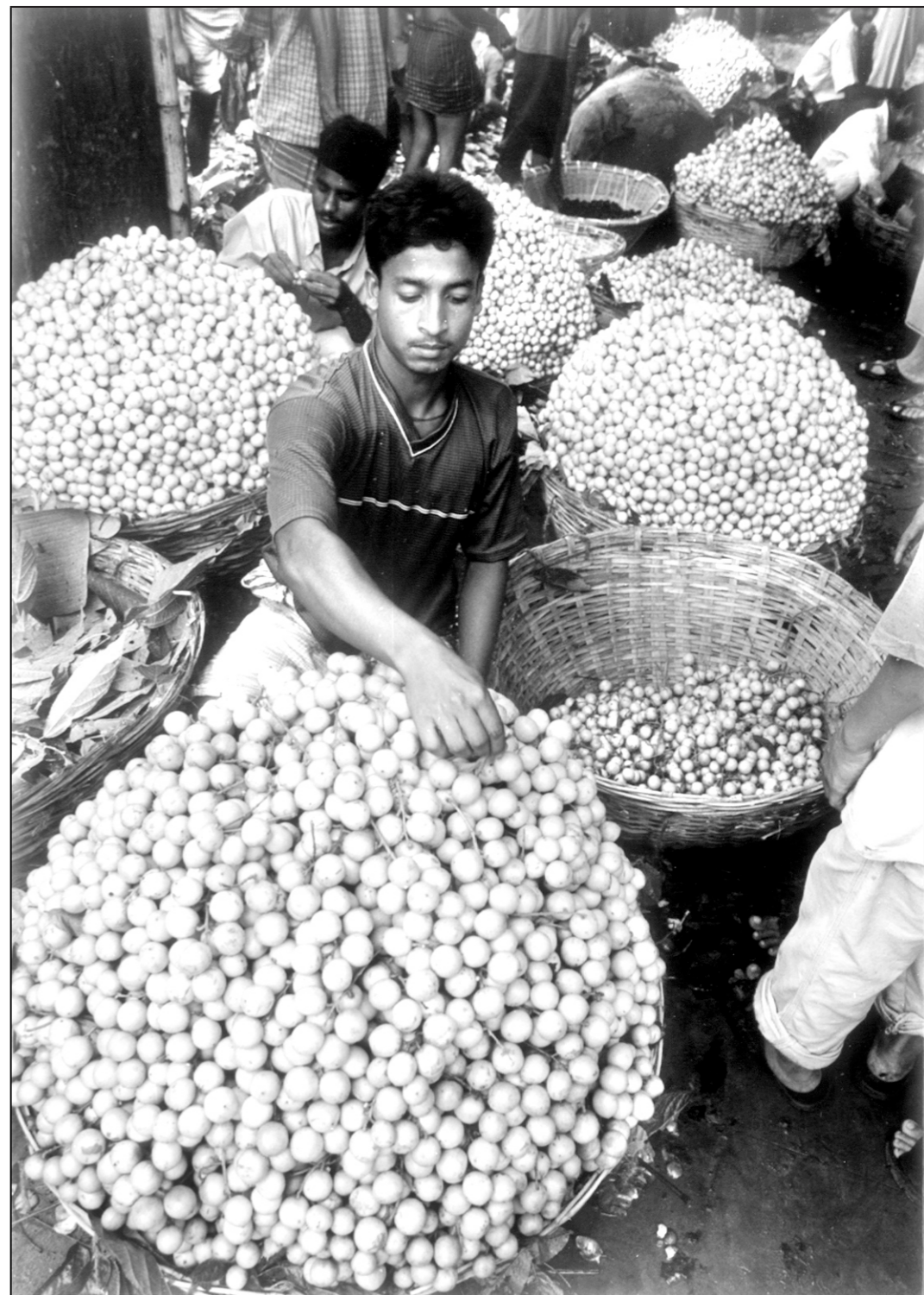


PHOTO: STAR

A vendor shows off latkan, a sweet-sour fruit, at a wholesale market in Dhaka yesterday. The popular fruit, which usually comes from Narsingdi district in huge quantities, sells at Tk 30 a kilogram.

Free trade talks with India from Oct likely

BSS, Dhaka

Negotiation with India on signing a bilateral free trade agreement to enhance business volume on both sides may begin in October, according to official sources.

The negotiation, however, will not remain limited with India, said a commerce ministry source adding, Dhaka is also going to open such negotiation with Pakistan and Sri Lanka for signing similar free trade agreements.

"It is going to be long and difficult negotiations," said the source adding, "we remain open to sign agreement with any one with whom the negotiation will wind up first."

The source, however ruled out the possibility of transit facility through Bangladesh. "It is not negotiable at this point," he pointed out.

The source said Bangladesh has

no free trade agreement with any other country until now and so it will move cautiously. For that, the government has already formed a Coordinating Task Force with commerce secretary as coordinator.

Meanwhile, appraisal and other home works are now in progress in preparation of the forthcoming negotiation. The source said emphasis has now essentially shifted from pursuing the 25-product list for duty free access to negotiating the free trade agreement.

India is likely to put into effect its latest offer of duty free access to 40 items to its market in next July. Out of these, real benefit to Bangladesh may accrue in case of only 12 to 14 items.

The former offer of duty free access to 39 items has already been implemented and real benefit is accruable to only over a dozen

items, he said. India lodged the formal request for the free trade agreement with Bangladesh Finance Minister Saifur Rahman visited Delhi in last May.

The source said given the ratio of trade gap between the two countries only small concessions basing on few products will not help resolve the balance of payment problem.

"The proposition of the free trade agreement with India has come to the fore from this reality, the source said dismissing fears that Bangladesh's economy and its fragile industrial base may not sustain its shock.

He said given the Sri Lankan and Nepal's experience, such apprehensions may not hold true. He said with free trade agreement a country like Nepal can now export 300 million dollars worth of goods to India.



PHOTO: BANGLADESH LAMPS LIMITED

Latifur Rahman, chairman and managing director of Bangladesh Lamps Limited, presides over the 42nd annual general meeting of the company held at Gulshan in Dhaka on Saturday. Directors Saifur Rahman, Shamsur Rahman, Shahnaz Rahman, Obaidur Rahman Khan and Atiqur Rahman and Company Secretary Abdullah Ismail are also seen in the picture.

Plastic industries under 'threat of closure'

UNB, Dhaka

Hundreds of "deemed" export factories in the plastic sector are under threat of closure, industry sources said.

They said the 25 per cent bank guarantee proposed in the budget for fiscal 2003-04 on import of raw materials would force most of the small and medium-sized export units to close down operation.

These factories are not in a position to bear such financial burden because of their fund limitations, said Shahedul Islam, chair-

man of Export Wing of Bangladesh Plastic Goods Manufacturers Association (BPGMA).

He said it would take several months for them to get refund of the guarantee because their imports are in bulk, in container loads, whereas their export per consignment is of very small value.

Also there will be additional bank cost and cost for releasing the guarantee.

With the proposed bank guarantee their cost of production would go up by around 50 per cent and Islam said it would be cheaper for

the direct export industries to import finished goods rather than buying from local factories.

The proposal to impose bank guarantee was based in a bid to stop misuse of bond facility. But the industry people said bank guarantee would not serve the purpose as one can misuse the bond facility even after paying the guarantee.

"It will only push the cost of production higher and it will cause a lot of unnecessary problems in releasing the guarantee," Islam said.